

California Integrated Waste Management Board

Board Meeting

December 15, 1998

AGENDA ITEM 15

ITEM: Consideration And Approval Of Standardized Process For All Board Grant Programs

I. SUMMARY

At the October 6, 1998 California Integrated Waste Management Board (CIWMB) Meeting, the Board requested staff evaluate the grant award process and prepare recommendations for revisions to the process for the December Board Meeting.

This agenda item reviews the current process for awarding grants and makes recommendations for improving the standardized process.

II. PREVIOUS (BOARD OR COMMITTEE) ACTION

At its July 27-28, 1994 meeting, the Board adopted a grant award process and directed staff to implement the process. The process centralized both the financial and administrative aspects of grant program management within the Administration and Finance Division.

At its July 25, 1995 meeting, the Board adopted policy and procedures for the completion and closure of grant projects. This procedure is for closing grant projects where the original scope of work has not been completed by the end of the grant term.

At its September 25, 1996 meeting, the Board approved standardized general review criteria (Need; Objectives; Methodology; Evaluation; Budget; and Completeness) for competitive grant programs and a procedure for presenting the criteria and evaluation procedure to the CIWMB. The approved procedure calls for staff to develop a proposal for assigning points to the standardized general review criteria, to establish preference criteria if applicable, and to describe the evaluation procedure.

III. OPTIONS FOR THE BOARD

1. Implement a blind review of at least ten percent of the grant applications in each competitive grant cycle.
2. Establish a six month deadline for the return of signed grant agreements.
3. Require Board approval to extend grant agreements.
4. Make ineligible for a competitive grant award any applicant with a Board invoice outstanding more than 30 days.
5. Methods To Disseminate Additional Information To Potential Grantees:

- A. Hold workshop(s) to disseminate additional information to potential grant applicants.
 - B. Allow potential grant applicants to submit questions and send all the questions and answers to each potential grant applicant.
 - C. Request additional information from applicant.
 - D. Develop model applications.
6. Direct staff to prepare alternate recommendations.

IV. STAFF RECOMMENDATION

Staff recommend options 1, 2, 3, 4 and 5B.

V. ANALYSIS

Background:

Currently, there are six grant programs at the Board. They are: California Used Oil Recycling Grants, Household Hazardous Waste Grants, California Tire Recycling Grants, Local Enforcement Agency Grants, Farm and Ranch Solid Waste Cleanup and Abatement Grants and Solid Waste Disposal and Codisposal Site Cleanup Grants (see Attachment 1).

Household Hazardous Waste Grants are governed by existing regulations. Regulations are in the process of being developed or amended for the following grant programs: California Used Oil Recycling Grants (notice of amended regulations will be issued sometime in Spring of 1999), Local Enforcement Agency Grants (notice of the proposed regulations will be issued early in 1999), Solid Waste Disposal and Codisposal Site Cleanup Grants (the proposed regulations were available for a 45 day public comment period beginning October 9 and ending November 23, 1998), the Farm and Ranch Cleanup Grants (the proposed regulations were available for a 45 day public comment period beginning October 9 and ending November 23, 1998). The California Tire Recycling Grants are governed by statute only.

Additionally, all of the grant programs are governed by the Terms and Conditions and the Procedures and Requirements which are part of the grant agreement, and include procedures for submitting payment requests and final reports.

Grant funds for the Tire Recycling, Farm and Ranch Solid Waste Cleanup and Abatement, Local Enforcement Agency, and Household Hazardous Waste Programs are appropriated in the Budget Act and are available for expenditure for a period of three years.

Grant funds for the Used Oil Recycling and the Solid Waste Disposal and Codisposal Site Cleanup Programs are continuously appropriated and, while not technically limited to three year periods, they have historically been available to grantees for expenditure for a period of three years.

Grants monies are available for distribution any time during a fiscal year, which runs from July 1 through June 30. Grant funds are available for three fiscal years, beginning July 1 of the 1st year through June 30 of the third year. Therefore, grants awarded early in the first fiscal year would have a longer grant term than those awarded later in the first fiscal year. Most grants average between a one and two year project period. Each grant program has established timelines or work schedules that identify milestones in the life of the grant and require the submittal of

progress reports to measure the grantee's progress towards these milestones.

STEPS IN THE GRANT AWARD PROCESS:

1. Approval of Grant Cycle (including Scoring/Evaluation Procedure for Competitive Grants)
2. Award of Grants
3. Execution of Grant Agreements
4. Grant Project Implementation
5. Closure of Grant Projects

Discussion:

1. Approval Of Grant Cycle (Including Scoring/Evaluation Procedure For Competitive Grants)

At its September 25, 1996 meeting, the Board approved standardized general review criteria (Need; Objectives; Methodology; Evaluation; Budget; and Completeness) for all competitive grant programs and a procedure for presenting the criteria and evaluation procedure to the Board. The approved procedure calls for staff to develop a proposal for assigning points to the general review criteria and to establish preference criteria, if applicable. Grants are scored based solely on the information submitted in the application.

At its April 29, 1998 meeting, the Board expressed concern over scoring consistency between review panels and asked staff to review the evaluation and scoring procedure. Previously, staff convened review panels consisting of applicable program and administration staff. Panel members would then review and score each grant proposal assigned to them using the approved scoring criteria. Next the panels met to discuss individual scores and develop a final group score for each proposal. The panel chairs would then meet to discuss the scores and ensure that the criteria were applied equitably between the panels. The proposals were then ranked according to the number of points received. As a result of the concern over scoring consistency expressed by the Board, a blind review was implemented on a trial basis for the Used Oil Nonprofit Grant.

The approved scoring procedure for the 1998/99 Used Oil Non-Profit Grant was: 1) three-member review panels were to be convened consisting of representatives from the Financial Assistance Branch and the Used Oil/Household Hazardous Branch; 2) all panel members were to attend an orientation meeting to discuss interpretation of the criteria and a scoring structure for applying the criteria; 3) applications were to be distributed to the three panels; 4) each member was directed to score each assigned application individually based solely on the information in the application; 5) the panel met as a team to discuss each application in detail and reach consensus on a score for each criterion; 6) the chairpersons from each panel met to ensure that the criteria had been applied equitably between panels; and 7) the applications were to be ranked by final score received. These procedures were followed as specified. In addition, a blind review was implemented. Six applications were chosen at random to be reviewed by two review panels. The resulting scores were within five points and the recommendation to fund or not fund the project was identical in all cases.

The September 10, 1998 agenda item for the 1998/1999 Household Hazardous Waste Grant

Program specified that 10% of the applications received will be chosen by supervisory staff at random to be reviewed by two panels to further ensure the integrity of the evaluation procedure. The panel chairs will meet and discuss the scores to ensure that the panels equitably applied the criteria.

2. Award Of Grants

Competitive Grants

Based on the grant award process approved by the Board on July 27, 1994, staff is required to bring forth to the Board a funding proposal listing the grant applications in rank order.

Noncompetitive Grants

Noncompetitive grants are entitlement grants based on formulas set in statute (Used Oil Block Grants) or approved by the Board (LEA Grants). The application period for both of these programs is held each spring, and eligible jurisdictions are required to submit a brief application outlining their proposed program.

Block grants are brought to the Board for approval before Grant Agreements are prepared and mailed out. For Local Enforcement Agency Grants the Board, on June 21, 1990, delegated authority to staff to enter into agreements with LEAs based on an approved funding formula.

3. Execution of Grant Agreements

Based on the July 27, 1994 procedure for awarding grants, staff refines the scope of work, develops the budget, and prepares an agreement with each grant recipient.

4. Grant Project Implementation

Following the Board's approval of the grant awards, the grantee will receive a Grant Agreement Form, Terms & Conditions, and Procedures & Requirements. The Grant Agreement states the term of the grant. Currently, when a project will **not** be completed by the end of the grant term, the grantee may ask staff for an extension, which usually runs between 6 to 12 months. These extensions are requested through the grant manager and approved by the program manager.

5. Closure Of Grant Projects

On July 15, 1995 the Board approved policy and procedures for the completion and closure of grant projects. Grant funds appropriated in the Budget Act are available for expenditure for a period of three years. Because of various program requirements, actual project periods are generally between one and two years. In a number of instances, the work agreed to in the grant agreement is not completed by the end of the project term. The approved policy and procedures determine how an incomplete grant project should be closed and/or terminated.

KEY ISSUES:

1. Scoring consistency of grant applications - Board members have expressed concern over the scoring consistency when more than one review panel is used to score grant applications.
2. Timeliness of the return of signed agreements by grantees - Entities that have been awarded grants do not always return the signed agreements in a timely manner. For example, there are still four grantees that were awarded grants during the 1996/97 fiscal year that have not returned signed agreements.
3. Extension of grant agreements - Board members have expressed concerns that not all grantees complete their projects within the term of the grant agreements. Typically, approximately 10 to 15 grantees receive extension in a fiscal year.
4. Limitation on the award of competitive grants to applicants with outstanding accounts receivables - Staff is concerned that applicants who owe the Board money may remain eligible to receive grant funds.
5. Methods to disseminate additional information to potential grantees - Board asked staff to research ways to provide information to grantees.

ANALYSIS OF OPTIONS FOR IMPROVING THE STANDARDIZED GRANT AWARD PROCESS

1. Scoring Consistency for Grants

Staff recommends implementing a blind review of at least ten percent of the grant applications for all competitive grant cycles that have more than one scoring panel. If, after the blind review, the group scores are more than 5 points apart (or a differential approved by the Board prior to scoring) or the recommendation to fund or not fund is different, one supervisor from the grant program and one supervisor from the Financial Assistance Branch would meet to determine the appropriate steps to be taken to ensure scoring consistency. While the appropriate steps to be taken to ensure scoring consistency will vary based on the number of panels and the scoring discrepancies, possibilities to resolve discrepancies include: 1) dissolving one or more panels and having the applications they scored be re-evaluated by a remaining panel, or 2) scoring all the applications by two panels and then average the two scores for the final score. Additionally, staff recommends that all individual, as well as group, scores be maintained with the application.

2. Timeliness of Signed Agreements by Grantees

After a Grant Agreement is mailed to the grant recipient for signature, the grantee will have ~~six months~~ to sign and return the Grant Agreement to the Board. If a signed Grant Agreement is not received within ~~six months~~, the recipient will be notified and the funds will be disencumbered. Disencumbered money will revert back to the appropriate fund.

3. Extension of Grant Agreements

Currently, staff makes the decision to extend a Grant Agreement beyond the three year term (the fiscal year it was encumbered and two additional fiscal years) usually allowed for completion of a project. Staff recommends that any request for a time extension beyond the three year term will require approval by the Board. The Board will be informed of the reason

a grantee is requesting an extension, the percentage of contracted funds that the grantee had spent and the Board action recommended by staff. This procedure would encourage grantees to complete their projects according to the original timeline, resulting in fewer grantees requesting an extension.

4. Competitive Grant Award Limitation on Applicants with Outstanding Accounts Receivables:
Staff recommends that any applicant for a competitive grant, who has a Board invoice outstanding more than 30 days at the close of the application period, be ineligible for that grant.

5. Methods To Disseminate Additional Information To Potential Grantees:

- A. Workshop

In order to provide additional information to potential applicants, staff may conduct workshops similar to bidders conferences for contracts. Staff could hold workshops one or more times a year to provide assistance to potential applicants on the criteria, format, priorities, and answer any other questions that the potential applicants may have. Staff does not recommend this option because 1) the cost to potential applicants associated with attendance at a workshop may discourage participation, 2) applicants that are unaware of a grant program prior to a workshop would not have an opportunity to benefit from the information disseminated at the workshop, and 3) applicants that initially decide not to apply for a grant and therefore do not attend a workshop may, after missing the workshop, decide to apply for a grant but then not have an opportunity to benefit from the information disseminated at the workshop.

- B. Question and Answer Period

Potential applicants would be given the opportunity to submit questions in writing. Staff would then prepare a questions and answer sheet answering all the questions submitted. This question and answer sheet would be mailed to all potential applicants prior to the date the grant application is due. The questions and answers would also be posted on the CIWMB website. Staff recommends this option because it would ensure fairness by providing all the potential applicants with the same information.

- C. Request Additional Information from Applicants

After the review panels meet and evaluate the applications, staff could request additional information from the applicant. The applicant would have a specified period of time to submit only the requested information to the Board. If the applicant did not provide the requested information to the staff in the time required, the application will be scored on the information initially provided. Staff does not recommend this option because 1) the additional time involved in obtaining the information and rescoring the applications would delay the award of the grants, and 2) it penalizes applicants that submit accurate and complete applications.

- D. Model Applications

The Household Hazardous Waste Grant program has provided a model application with its current (1998/99 fiscal year) grant application package. Staff does not recommend this option at this time because 1) the instructions contained in the grant applications are specific enough that potential applicants can prepare an acceptable application package,

2) the possibility of grantees "cloning" grant applications would make scoring more difficult due to less variances, and 3) an entity that is unable to prepare an adequate application may be unable to operate a successful program, as operating a program is more complicated than completing an adequate application. Staff will evaluate the benefits of providing a model application after the awarding of the Household Hazardous Waste Grants and report back to the Board.

FISCAL IMPACTS:

1. Implementing a blind review of at least ten percent of the grant applications:

Estimated costs of additional staff review: \$3,500 per year.

2. Establishing a six month deadline for the return of grant agreements:

Negligible fiscal impact.

3. Requiring Board approval to extend grant agreements:

Estimated costs of staff time to prepare and present agenda items: \$1,500 per year.

4. Making ineligible for a competitive grant award any applicant who has a Board invoice outstanding more than 30 days.

Negligible fiscal impact.

5. Methods To Disseminate Additional Information To Potential Grantees:

- A. Workshop(s)

Estimated cost of one workshop in Sacramento per year: \$2,200.

Estimated cost of one Sacramento workshop and one regional workshop per year: \$7,200.

- B. Question and Answer Period

Estimated costs of staff time to prepare question and answer letters: \$1,600 per year.

- C. Requesting additional information from applicants.

Estimated costs of staff time to request additional information from grantees: \$17,000 per year.

- D. Develop Model Applications

Negligible fiscal impact.

VI. FUNDING INFORMATION

Amount Proposed to Fund Item: \$ 6,600

Fund Source:

\$2,475	Used Oil Recycling Fund
\$1,650	Tire Recycling Management Fund
\$825	Farm and Ranch Solid Waste Cleanup and Abatement Account
\$825	Integrated Waste Management Account
\$825	Solid Waste Disposal Site Cleanup Trust Fund

Redirection Proposed From Line Item:

\$6,600	Consulting & Professional Services
	Training
	Data processing
	Other (Specify)

VII. ATTACHMENTS

Attachment 1. A list of Competitive and Noncompetitive Grant Programs

VIII. APPROVALS

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List of Competitive Grants

Grant Program	Purpose	Eligibility	Funding	Action
USED OIL				
Opportunity	Provide additional funding to augment or expand oil collection and information programs established by Block Grants	Local governments	Used Oil Recycling Fund; after expenditure of funds for recycling incentives. Block Grants and administration. 40% of remaining funds are available for Opportunity Grants	Board approves scoring criteria and staff recommendations for funding
Research and Demonstration	To develop collection technologies and uses for recycled or used oil	Any entity pursuing research, testing, and demonstration projects	Used Oil Recycling Fund; after expenditure of funds for recycling incentives. Block Grants and administration. 10% of remaining funds are available for Research and Demonstration Grants	Board approves scoring criteria and staff recommendations for funding
Non-Profit	Used oil collection and education programs	Non-profit organizations	Used Oil Recycling Fund; after expenditure of funds for recycling incentives. Block Grants and administration. 10% of remaining funds are available for Non-Profit Grants	Board approves scoring criteria and staff recommendations for funding

Grant Program	Purpose	Eligibility	Funding	Action
HOUSEHOLD HAZARDOUS WASTE				
HHW	To reduce the amount of HHW disposed of at solid waste facilities	California cities, counties and local agencies with direct responsibility for waste management	Integrated Waste Management Fund: up to \$3 million annually	Board approves scoring criteria and staff recommendations for funding
TIRE				
Tire Recycling	To divert tires from disposal in California landfills	Local governments	Tire Recycling Fund: funding announced each fall	Board approves scoring criteria and staff recommendations for funding
Enforcement Assistance	Implement an effective waste tire inspection and compliance program and develop an extensive list of waste tire facilities that fall under CIWMB jurisdiction	Local enforcement agencies and local governments	Tire Recycling Fund: funding announced each fall	Board approves scoring criteria and staff recommendations for funding
Local Government Waste Tire Clean-Up	Matching grants for waste tire site remediation projects	Local governments	Tire Recycling Fund: funding announced each fall. Individual grants of up to \$50,000.	Board approves scoring criteria and staff recommendations for funding

Grant Program	Purpose	Eligibility	Funding	Action
SOLID WASTE DISPOSAL AND CODISPOSAL SITE CLEANUP (AB 2136)	Grants and loans for cleanup where a responsible party cannot be identified or is unable to pay for timely remediation: matching grants to local governments for remediation of environmental problems caused by solid waste; and grants to LEAs for abatement of illegal disposal sites	California cities, counties and local enforcement agencies	Solid Waste Disposal Site Cleanup Trust Fund (transfers from the Integrated Waste Management Account); up to \$5 million annually	Board approves staff recommendations for funding
FARM AND RANCH SOLID WASTE CLEANUP AND ABATEMENT	Cleanup of illegal disposal sites on farm and ranch property where there is no responsible party	Local governments	Transfer from the Integrated Waste Management Fund: Tire Recycling Management Fund: Used Oil Recycling Fund	New program: regulations being developed

List of Noncompetitive Grants

Grant Program	Purpose	Eligibility	Funding	Action
USED OIL				
Used Oil Block	Discourage the illegal disposal of used oil	Local governments	Used Oil Recycling Fund: after expenditure of funds for recycling incentives. \$10 million or half of remaining funds, whichever amount is greater, is available for Block Grants. A minimum grant award of \$5,000 is eligible for cities and \$10,000 for counties. Awards for jurisdictions that are eligible for more than the minimum are calculated at approximately 31 cents per capita using the Department of Finance population statistics.	Entitlement grant: Board approves staff recommendations

Grant Program	Purpose	Eligibility	Funding	Action
LOCAL ENFORCEMENT AGENCY	Assist LEAs in their solid waste permit and inspection program	Local Enforcement Agencies	Integrated Waste Management Account: \$1,500,000 annually	Entitlement grant: Board approved formula on June 21, 1990. The Board approved LEAs to receive a minimum of \$15,000 plus an amount of money based on the four criteria: 1) applicants must certify that the money will supplement, not replace, the existing budget for LEA programs; 2) applicants must agree that the money will be set up in a separate account, and used only for support of the LEA's landfill permit and inspection programs; 3) maintain appropriate records for the Board's audit program, and 4) the applicant must provide a statement of how the LEA intends to use the money to attain an improvement in their landfill permit and inspection programs and include performance objectives.

California Integrated Waste Management Board

Resolution 98-386

Consideration Of Approval Of Standardized Process For All Board Grant Programs

WHEREAS, at its July 27, 1994 meeting, the Board adopted a grant award process and directed staff to implement the process; and

WHEREAS, at its October 6, 1998 meeting, the Board requested staff evaluate the grant award process and prepare recommendations for revisions to the process for the December, 1998 Board Meeting;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts following improvements to the standardized grant award process:

1. The implementation a blind review of at least ten percent of the grant applications in each competitive grant cycle.
2. The establishment of a 90 day deadline for the return of competitive and noncompetitive signed grant agreements.
3. All requests to extend grant agreements beyond a three year term must be approved by the Board.
4. A competitive grant applicant with an outstanding invoice may apply for a grant, however, no grant agreement will be executed until the entity has paid the outstanding debt. If the debt is paid within 90 days, we will process the grant agreement. If the debt is not paid within 90 days, the applicant will not receive funding for that grant.
5. Allow potential grant applicants to submit question in writing. A question and answer sheet shall then be prepared and distributed to all potential applicants prior to the date the grant application is due.

CERTIFICATION

The undersigned Executive Director, or designee, of the California Integrated Waste Management Board does hereby certify the forgoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Integrated Waste Management Board held on December 15, 1998.

Dated:

